

# United States Government Supplemental Information (Unaudited) for the Years Ended September 30, 2004, and September 30, 2003

## Deferred Maintenance

Deferred maintenance is the estimated cost to bring Government-owned property to an acceptable condition, resulting from not performing maintenance on a timely basis. Deferred maintenance excludes the cost of expanding the capacity of assets or upgrading them to serve needs different from those originally intended. The consequences of not performing regular maintenance could include increased safety hazards, poor service to the public, higher costs in the future, and inefficient operations. Estimated deferred maintenance costs are not accrued in the Statements of Net Cost or recognized as a liability on the balance sheets.

The amounts disclosed for deferred maintenance on the table below have been measured using the following three methods:

- Condition assessment surveys are periodic inspections of the Government-owned property to determine the current condition and estimated cost to bring the property to an acceptable condition.
- Life-cycle cost forecast is an acquisition or procurement technique that considers operation, maintenance, and other costs in addition to the acquisition cost of assets.
- Management analysis method is founded on inflation-adjusted reductions in maintenance funding since the base year.

Some deferred maintenance has been deemed critical. Such amounts and conditions are defined by the individual agencies with responsibility for the safekeeping of these assets. Low and high estimates are based on the materiality of the estimated cost of returning the asset to the acceptable condition versus the total value of the corresponding asset.

### Deferred Maintenance as of September 30

	Deferred Maintenance Cost Range				Critical Maintenance	
	Low Estimate		High Estimate			
(In billions of dollars)	2004	2003	2004	2003	2004	2003
<b>Asset Category:</b>						
General property, plant, and equipment.....	13.4	12.1	25.3	18.3	7.7	3.6
Heritage assets.....	-	-	0.1	0.1	-	-
Total deferred maintenance.....	13.4	12.1	25.4	18.4	7.7	3.6

## Unexpended Budget Authority

Unexpended budget authority is the sum of the unobligated and obligated, but unliquidated, budget authority.

Unobligated budget authority, including amounts for trust funds, is the cumulative amount of budget authority that is not obligated and that remains available for obligation. In 1-year accounts, the unobligated balance is not available for new obligations after the end of the fiscal year. In multiyear accounts, the unobligated balance may be carried forward and remains available for obligation for the period specified. In no-year accounts, the unobligated balance is carried forward until specifically rescinded by law or until the purposes for which it was provided have been accomplished. The total unobligated budget authority amount balance for fiscal years 2004 and 2003 are \$359.4 billion and \$383 billion, respectively.

Obligated budget authority is the cumulative amount of budget authority that has been obligated but not liquidated. This balance can be carried forward for a maximum of 5 years after the appropriation has expired. The total obligated budget authority amount balance for fiscal years 2004 and 2003 are \$827 billion and \$789.8 billion, respectively.

## Tax Burden

The Internal Revenue Code provides for progressive tax rates, whereby higher incomes are generally subject to higher tax rates. The tables present the latest available information on income tax and related income, deductions, and credit for individuals by income level and for corporations by size of assets.

### Individual Income Tax Returns for Tax Year 2002

Adjusted Gross Income (AGI)	Number of Taxable Returns  (In thousands)	AGI  (In millions of dollars)	Total Income Tax  (In millions of dollars)	Average AGI per Return  (In whole dollars)	Average Income Tax per Return  (In whole dollars)	Income Tax as a Percentage of AGI
Under \$15,000 .....	38,133	211,417	3,942	5,544	103	1.9%
\$15,000 under \$30,000 .....	29,964	657,946	27,621	21,958	922	4.2%
\$30,000 under \$50,000 .....	24,556	959,677	70,761	39,081	2,882	7.4%
\$50,000 under \$100,000 .....	26,687	1,864,379	196,005	69,862	7,345	10.5%
\$100,000 under \$200,000 .....	8,442	1,112,924	175,904	131,834	20,837	15.8%
\$200,000 or more .....	2,419	1,233,062	323,558	509,695	133,745	26.2%
Total .....	130,201	6,039,405	797,791	-	-	-

### Corporation Income Tax Returns for Tax Year 2001

Total Assets	Income Subject to Tax (In millions of dollars)	Total Income Tax after Credits (In millions of dollars)	Percentage of Income Tax after Credits to Taxable Income
Zero assets .....	12,101	3,410	28.2%
\$1 under \$500 .....	9,232	1,662	18.0%
\$500 under \$1,000 .....	4,624	1,027	22.2%
\$1,000 under \$5,000 .....	13,786	4,031	29.2%
\$5,000 under \$10,000 .....	7,091	2,310	32.6%
\$10,000 under \$25,000 .....	10,330	3,399	32.9%
\$25,000 under \$50,000 .....	8,945	2,892	32.3%
\$50,000 under \$100,000 .....	10,711	3,379	31.5%
\$100,000 under \$250,000 .....	20,613	6,378	30.9%
\$250,000 or more .....	537,824	138,224	25.7%
Total .....	635,257	166,712	26.2%

### Other Claims for Refunds

Management has estimated amounts that may be paid out as other claims for tax refunds. This estimate represents an amount (principal and interest) that may be paid for claims pending judicial review by the Federal courts or, internally, by appeals. The total estimated payout (including principal and interest) for claims pending judicial review by the Federal courts is \$1.7 billion and \$6.5 billion for fiscal years 2004 and 2003, respectively. For those under appeal, the estimated payout is \$6.7 billion and \$7.6 billion for fiscal years 2004 and 2003, respectively. Although these refund claims have been deemed to be probable, they do not meet the criteria in SFFAS No. 5 for reporting the amounts in the balance sheets or for disclosure in the Notes to the Financial Statements. However, they meet the criteria in SFFAS No. 7 for inclusion as supplemental information. To the extent judgments against the Government for these claims prompt other similarly situated taxpayers to file similar refund claims, these amounts could become significantly greater.

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## Appendix: Significant Government Entities Included and Excluded from the Financial Statements

This *Financial Report* includes the executive branch with their corresponding departments and entities, the legislative and judicial branches, and other independent establishments and Government corporations. Excluded are privately owned Government-sponsored enterprises such as the Federal Home Loan Banks and the Federal National Mortgage Association. The Federal Reserve System is excluded because organizations and functions pertaining to monetary policy are traditionally separate from, and independent of, other central Government organizations and functions.

### Significant Entities Included in these Statements:

(in Statement of Net Cost order):

Department of Defense (DOD) <a href="http://www.defenselink.mil">www.defenselink.mil</a>	Department of Commerce (DOC) <a href="http://www.doc.gov">www.doc.gov</a>
Department of Health and Human Services (HHS) <a href="http://www.hhs.gov">www.hhs.gov</a>	Federal Communications Commission (FCC) <a href="http://www.fcc.gov">www.fcc.gov</a>
Social Security Administration (SSA) <a href="http://www.ssa.gov">www.ssa.gov</a>	National Science Foundation (NSF) <a href="http://www.nsf.gov">www.nsf.gov</a>
Department of Agriculture (USDA) <a href="http://www.usda.gov">www.usda.gov</a>	Small Business Administration (SBA) <a href="http://www.sba.gov">www.sba.gov</a>
Department of the Treasury (Treasury) <a href="http://www.ustreas.gov">www.ustreas.gov</a>	Federal Deposit Insurance Corporation (FDIC) <a href="http://www.fdic.gov">www.fdic.gov</a>
Department of Education (ED) <a href="http://www.ed.gov">www.ed.gov</a>	Nuclear Regulatory Commission (NRC) <a href="http://www.nrc.gov">www.nrc.gov</a>
Department of Labor (DOL) <a href="http://www.dol.gov">www.dol.gov</a>	Tennessee Valley Authority (TVA) <a href="http://www.tva.gov">www.tva.gov</a>
Department of Transportation (DOT) <a href="http://www.dot.gov">www.dot.gov</a>	National Credit Union Administration (NCUA) <a href="http://www.ncua.gov">www.ncua.gov</a>
Department of Veterans Affairs (VA) <a href="http://www.va.gov">www.va.gov</a>	General Services Administration (GSA) <a href="http://www.gsa.gov">www.gsa.gov</a>
Department of Housing and Urban Development (HUD) <a href="http://www.hud.gov">www.hud.gov</a>	Export-Import Bank of the United States (Ex-Im Bank) <a href="http://www.exim.gov">www.exim.gov</a>
Department of Homeland Security (DHS) <a href="http://www.dhs.gov">www.dhs.gov</a>	U.S. Postal Service (USPS) <a href="http://www.usps.gov">www.usps.gov</a>
Department of Justice (DOJ) <a href="http://www.usdoj.gov">www.usdoj.gov</a>	Farm Credit System Insurance Corporation (FCSIC) <a href="http://www.fcsic.gov">www.fcsic.gov</a>
Department of Energy (DOE) <a href="http://www.energy.gov">www.energy.gov</a>	Smithsonian Institution <a href="http://www.si.edu">www.si.edu</a>
National Aeronautics and Space Administration (NASA) <a href="http://www.nasa.gov">www.nasa.gov</a>	U.S. Securities and Exchange Commission (SEC) <a href="http://www.sec.gov">www.sec.gov</a>
Department of the Interior (DOI) <a href="http://www.doi.gov">www.doi.gov</a>	
Pension Benefit Guaranty Corporation (PBGC) <a href="http://www.pbgc.gov">www.pbgc.gov</a>	
Department of State (State) <a href="http://www.state.gov">www.state.gov</a>	
U.S. Agency for International Development (USAID) <a href="http://www.usaid.gov">www.usaid.gov</a>	
Railroad Retirement Board (RRB) <a href="http://www.rrb.gov">www.rrb.gov</a>	
Environmental Protection Agency (EPA) <a href="http://www.epa.gov">www.epa.gov</a>	
Office of Personnel Management (OPM) <a href="http://www.opm.gov">www.opm.gov</a>	
	<b><u>All Other Entities</u></b>
	Executive Office of the President
	Federal Trade Commission (FTC) <a href="http://www.ftc.gov">www.ftc.gov</a>
	Government Accountability Office (GAO) <a href="http://www.gao.gov">www.gao.gov</a>
	Government Printing Office (GPO) <a href="http://www.gpo.gov">www.gpo.gov</a>
	Library of Congress (LC) <a href="http://www.loc.gov">www.loc.gov</a>
	National Archives and Records Administration (NARA) <a href="http://www.nara.gov">www.nara.gov</a>

National Transportation Safety Board (NTSB)

[www.nts.gov](http://www.nts.gov)

Office of Management and Budget (OMB)

[www.whitehouse.gov/omb](http://www.whitehouse.gov/omb)

## **Significant Entities Excluded from these Statements:**

Army and Air Force Exchange Service

Board of Governors of the Federal Reserve System

(Including the Federal Reserve Banks)

Federal National Mortgage Association (Fannie Mae)

Farm Credit System

Federal Home Loan Banks

Federal Retirement Thrift Investment Board

(Including the Thrift Savings Fund)

Financing Corporation

Federal Home Loan Mortgage Corporation

(Freddie Mac)

Marine Corps Exchange

Navy Exchange Service Command

Resolution Funding Corporation

U.S.A. Education Inc. (Sallie Mae)